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Message Text

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PAGE 01 BERN 00719 181516Z

44 46
ACTION EB-07

INFO OCT-01 EUR-12 IO-11 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

/103 W
---------- 003632
P R 181435Z FEB 76
FM AMEMBASSY BERN
TO SECSTATE WASHDC PRIORITY 2144
INFO USDEL MTN GENEVA

C O N F I D E N T I A L BERN 0719

E.O. 11652: GDS
TAGS: ETRD, SZ
SUBJ: TARIFFS AND TRADE : SWISS ELECTRONIC WATCHES

1. KLAUS JACOBI, DELEGATE FOR TRADE AGREEMENTS OF THE SWISS FEDERAL COUNCIL, EXPRESSED TO EMBASSY ON FEB 18 SWISS GOVT. CONCERN ABOUT HR 10176 WHICH WOULD INCREASE IMPORT DUTY ON ELECTRONIC WATCH MOVEMENTS FROM 75 CENTS PER UNIT TO $5.37 PER UNIT. JACOBI SAID SWISS EMBASSY WASHINGTON HAD REPORTED THAT HEARINGS ON THIS BILL WOULD BE HELD BY THE TRADE SUBCOMMITTEE OF HOUSE WAYS AND MEANS COMMITTEE STARTING FEB 20.

2. JACOBI SAID SWISS EMBASSY HAD ALREADY MADE FOLLOWING POINTS TO OFFICERS IN DEPARTMENT OF STATE BUT HE WANTED TO REITERATE THEM:

A) PROPOSED BILL WOULD APPEAR TO BRING INTO QUESTION OBLIGATIONS OF U.S. G. UNDER ARTICLE 2. OF GATT,
B) ENACTMENT OF BILL SEEMED INAPPROPRIATE AT A TIME WHEN GATT MULTILATERAL TRADE NEGOTIATIONS
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ARE IN PROGRESS AND APPEARED INCONSISTENT WITH

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PLEDGE BY RAMBOUILLET CONFERENCE PARTICIPANTS
NOT TO ERECT NEW TRADE BARRIERS,

C) ECONOMIC JUSTIFICATION FOR PROPOSED DUTY
INCREASE SEEMS TO SWISS HIGHLY ARGUABLE.
CONTEMPLATED TARIFF RATE OF $5.37 IS THAT
CURRENTLY IMPOSED ON MOST EXPENSIVE TYPES OF
"JEWEL" WATCHES, WHEREAS "CURRENT REVOLUTION"
IN PRODUCTION TECHNIQUES IS MAKING POSSIBLE
MUCH LOWER PRICES FOR ELECTRONIC WATCHES.
MOREOVER, THE BASIC ELEMENTS OF THE ELECTRONIC
WATCH ARE PRODUCTS OF U.S. TECHNOLOGY, AND U.S.
ENJOYS DOMINANCE IN THIS AREA.

3. EMBASSY WOULD APPRECIATE DEPARTMENT'S COMMENTS AND
GUIDANCE FOR DISCUSSION THIS SUBJECT WITH SWISS. COPY
OF GOS "POSITION PAPER" BEING MAILED TO EUR/CE.
DAVIS

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 18 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Event:
Review Exemptions: n/a
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To: STATE
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